



LEGISLATIVE UPDATE

May 23, 2014

Approximately thirty (30) new education bills were filed this week, mostly in the House but there were several on the Senate side (see below for short descriptions of these newly-filed bills). The other key work this week involved Senators finalizing their proposed budget bill, which we expect to see next week. The Senate plans to approve its budget bill next week, even if it means staying in session until midnight on Friday. It certainly appears that legislators intend to be done with this Short Session by or before the Fourth of July weekend.

While the Governor's budget was published last week, his budget bill was filed on Thursday of this week ([SB 842](#)). Some of the additional details on the Governor's budget include the following:

1. Revising the "25% law" to make it permissive rather than mandatory. For example, one of the key sentences reads: "...the superintendent ~~shall~~ may identify and recommend to the local board twenty-five percent (25%) of those teachers ~~employed by the local board who have taught~~ for at least three ~~consecutive~~ years to be awarded four-year contracts beginning with the 2014-2015 school year."
2. Reinstatement of master's degree pay for: a) those who have taken a course toward that degree as of July 1, 2013; b) those who have received a master's degree and are teaching in-field for at least 70% of their work time; and c) those working in their area of graduate work (e.g., social workers). Teachers and instructional support with an administrator's license are not eligible for the differential pay unless they have been paid on the "M" schedule prior to July 1, 2014.
3. The new *Career Pathways* pilots would involve, in part, awards of \$100 per ADM up to 25% of ADM with a matching requirement of 1:1 from local, private or a reallocation of state or federal funds.
4. \$5 million of the funds appropriated for At-Risk Student Services shall be used for competitive grants to improve after-school services. LEAs and nonprofits are eligible for 2-year grants of up to \$500,000 a year. Grants shall be matched on a basis of \$3 grant funds to \$1 non-state funds.
5. Grant funds for Panic Alarms shall not revert at June 30, 2014.
6. Employer cost for retirement is 14.76%, and for the State Health Plan it is \$5,378.

Relevant Bills with Action this Week

House

[HB 725](#) Young Offenders Rehabilitation Act (Avila, Moffitt, Mobley, D. Hall)

- Passed 3rd reading in the House

[HB 1084](#) Charter Schools/Students with IEPs (Insko, Glazier)

- Referred to House Committee on Appropriations

[HB 1085](#) Increase Charter School Accountability (Insko, Glazier)

- Referred to the House Committee on Appropriations

[HB 1107](#) Restore Lottery \$ for School Construction (Holloway, J. Bell, Saine, Jones)

- Referred to House Committee on Appropriations

[HB 1111](#) ([SB 758](#)) Western School of Science and Math/Funds (Blackwell, Hager, Starnes, Dobson)

- Referred to House Committee on Appropriations

[HB 1119](#) Credit for School Supplies (Malone)

This bill would provide teachers who purchase certain school supplies and materials an income tax credit. A teacher would be eligible for a tax credit equal to the cost of supplies and materials purchased, or \$250.00, whichever is less.

- Referred to House Committee on Education, if favorable, Finance

Senate

[SB 770](#) ([HB 1062](#)) Schematic Diagrams and Keys of Schools (Tillman, Pate, Cook)

- Referred to Senate Committee on Education/Higher Education, if favorable, Judiciary II

[SB 771](#) ([HB 1060](#)) Military Student Identifier (Tillman, Pate)

- Referred to Senate Committee on Education/Higher Education

[SB 781](#) ([HB 1164](#)) SBOE Rulemaking Clarification (Hartsell)

- Referred to Senate Committee on Education/Higher Education, if favorable, Judiciary II

[SB 787](#) Teacher Funds Must be 51% of School Budget (Apodaca, Curtis, Rabon)

- Referred to Senate Committee on Education/Higher Education, if favorable, Appropriations/Base Budget

[SB 789](#) Funds for Geographically Sparse LEAs (Cook)

- Referred to Senate Committee on Education/Higher Education, if favorable, Appropriations/Base Budget

Bills Filed this Week

House Bills

[HB 1150](#) ([SB 806](#)) Educational Longitudinal Data Systems Changes (Saine, J. Bell, Cleveland, Tolson)

This bill would make mostly cosmetic changes to the law pertaining to the Educational Longitudinal Data System (ELDS). The bill clarifies that ELDS is to be located administratively within the Department of Public Instruction, but exercise its powers and duties independently of the Department of Public Instruction and the State Board of Education.

- Referred to House Committee on Education

[HB 1154](#) Moore County Schools Transfer of Property (Boles)

This legislation would authorize the Moore County Board of Education to transfer ownership of certain real property. The Moore County Board of Education may convey to the Town of Taylortown, with or without monetary consideration, all of its right, title, and interest to the Academy Heights Elementary school site located in Pinehurst, North Carolina.

- Referred to House Committee on Government, if favorable Finance

[HB 1160](#) CISNC Funds (Holloway, Johnson)

- Referred to House Committee on Appropriations

This would appropriate about \$4.7 million for 2014-2015 to support and expand the programs provided by Communities in Schools of NC, addressing the needs of at-risk public school students.

[HB 1174](#) Defer Cutoff to Qualify for Master's Supp. (Riddell, Holloway, S. Ross, Whitmire)

This bill essentially reinstates the master's pay consistent with the terms proposed in the Governor's budget. It appropriates \$18.7 million for the 2014-2015 school year toward that end.

- Referred to House Committee on Appropriations

[HB 1177](#) Property Tax for Teacher Compensation (R. Brawley)

This bill directs counties to increase property taxes by 1¢ on the \$100 appraised value of property, and is to be used solely for teacher compensation. Each county would ensure that the revenue resulting from this action would not be used to supplant funding for teacher salaries or supplements, but would be in addition to them.

- Referred to House Committee on Finance, if favorable, Appropriations

[HB 1178](#) Funds/Procedure for Charter School Closure (Glazier, Fisher, Carney, Goodman)

This bill would require a charter school to maintain a minimum of \$50,000 to be used for the payment of expenses related to closure proceedings in the event of a voluntary or involuntary dissolution of the school. It also requires SBE to develop procedures related to the voluntary and involuntary dissolution of charter schools, including: notifying the SBE within 10 days of any official action taken by the board of directors to initiate dissolution of the school, and returning any overpayment of funds within 20 days following receipt of notification of overpayment. Upon dissolution of a charter school, all net assets of the charter school purchased with public funds would be deemed property of the local school administrative unit in which the charter school is located.

- Referred to House Committee on Education

[HB 1186](#) ([SB 833](#)) SBE Study of Educator Comp. (Bryan, Murry, Jeter, Horn)

This legislation directs SBE to study and devise a statewide performance compensation plan for educators. It would require that LEAs incorporate differential educator payment plans based on student achievement data, evaluator observations, school community involvement, and parent and student surveys.

- Referred to House Committee on Education

[HB 1192](#) Return to Five-Year Vesting (Collins, S. Ross)

This bill would reinstate the 5-year vesting period for members of the Teachers' and State Employees' Retirement System who became members on or after August 1, 2011. Currently, the vesting period is 10 years.

- Referred to House Committee on State Personnel, if favorable, Appropriations

[HB 1196](#) Charter School/Leave State Retire. System (Turner)

HB 1196 would authorize the Board of Directors of Success Institute, an existing charter school in Iredell County, to vote to end its participation in the Teachers' and State Employees' Retirement System.

[HB 1199](#) Restore Career Status (Glazier, Goodman, Carney, Terry)

This legislation would restore career status to “effective” teachers and significantly revises the former circumstances under which a teacher could be granted career status. It also sets forth provisions that would necessitate the revocation of career status if, for example, a teacher’s performance is not “highly effective.”

Senate Bills

[SB 793](#) Charter School Modifications (Tillman)

This bill seeks to clarify the process for the review of charter applications by the Charter Schools Advisory Board. The legislation would raise the application fee for charter applications, clarify the appeals process for denials of charter applications, and make charter schools subject to the requirements of Open Meetings and Public Records law.

- Referred to Senate Committee on Education/Higher Education

[SB 815](#) Ensuring Privacy of Student Records (Barefoot, Brock, Soucek)

This bill seeks to codify current practices and policies that ensure the privacy and security of student educational records. To ensure student data accessibility, transparency, and accountability relating to the student data system, SB 815 would require SBE to: 1) create and make publicly available a data inventory and index of data elements with definitions of individual student data fields in the student data system; 2) develop rules to comply with all relevant state and federal privacy laws and policies, including but not limited to the Family Educational Rights and Privacy Act (FERPA); 3) prohibit the transfer of personally identifiable student data in the student data system, unless otherwise provided by law and authorized by rules; and 4) develop a detailed data security plan for the student data system.

- Referred to Senate Committee on Judiciary I

[SB 818](#) Establish Education Endowment Fund (Tillman)

This legislation would establish the NC Education Endowment Fund which would provide additional support and funding for K-12 public schools. The fund would consist of proceeds from the sale of special “I Support Teachers” license plates, contributions to the State that are designated for inclusion in the Fund, and appropriations made to it by the General Assembly. This legislation was first introduced to the Joint Legislative Education Oversight Committee by Lt. Governor (and SBE member) Dan Forest.

- Referred to Senate Committee on Education/Higher Education, if favorable, Appropriations/Base Budget

Meetings: May 27 – May 29

Tuesday, May 27

10:00 AM House Education Committee, 643 LOB

HB 1040 Improve Admin. Prog. Monitoring at DPI

HB 1060 Military School Identifier

HB 1062 Schematic Diagrams and Keys of Schools

Wednesday, May 28

10:00 AM Senate Committee on Education/Higher Education, 544 LOB

HB 230 Amend Law Defining Home Schools

(This bill may be stripped and become the new 2014 *Read to Achieve* revisions bill.)

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